

IN THE UNITED STATES BANKRUPTCY COURT FOR
THE WESTERN DISTRICT OF PENNSYLVANIA

In Re:	:	
	:	BANKRUPTCY NO. 20-10334 TPA
JOSEPH MARTIN THOMAS,	:	
Debtor.	:	THE HONORABLE THOMAS P. AGRESTI
	:	
JOSEPH MARTIN THOMAS,	:	CHAPTER 11
	:	
Movant,	:	
	:	
v.	:	
	:	
NO RESPONDENT.	:	
	:	
	:	

REPORT

Attached hereto is the Official Form 426, Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest.

Respectfully submitted,

THE QUINN LAW FIRM

BY: /s/Michael P. Kruszewski
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Counsel for Debtor, Joseph Martin
Thomas

#1365856

Fill in this information to identify the case:

Debtor Name Joseph Martin Thomas

United States Bankruptcy Court for the: Western District of PA
(State)

Case number: 20-10334-TPA

Official Form 426

Periodic Report Regarding Value, Operations, and Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

12/17

This is the *Periodic Report* as of June 10, 2020 on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

[Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #
Greater Erie Surgery Center, LLC	83.61% Member	1
2374 Village Common Drive, LLC	100% Member	2

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), statement of cash flows, and a statement of changes in shareholders' or partners' equity (*deficit*) for the period covered by the *Entity Report*, along with summarized footnotes.

Exhibit B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

X

Signature of Authorized Individual

Printed name of Authorized Individual

Date

MM / DD / YYYY

For individual Debtors:

X

Signature of Debtor 1

Joseph Martin Thomas

Printed name of Debtor 1

Date 06/10/2020

MM / DD / YYYY

X

Signature of Debtor 2

Printed name of Debtor 2

Date

MM / DD / YYYY

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

Exhibit A: Financial Statements for [Name of Controlled Non-Debtor Entity]

See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

Exhibit A-1: Balance Sheet for [Name of Controlled Non-Debtor Entity] as of [date]

[Provide a balance sheet dated as of the end of the most recent 3-month period of the current fiscal year and as of the end of the preceding fiscal year.

Describe the source of this information.]

See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

Exhibit A-2: Statement of Income (*Loss*) for [Name of Controlled Non-Debtor Entity] for period ending [date]

[Provide a statement of income (*loss*) for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

Exhibit A-3: Statement of Cash Flows for [Name of Controlled Non-Debtor Entity] for period ending [date]

[Provide a statement of changes in cash position for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (*Deficit*) for [Name of Controlled Non-Debtor Entity]
for period ending [date]**

[Provide a statement of changes in shareholders'/partners equity (*deficit*) for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent 3-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Describe the source of this information.]

None.

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

Exhibit B: Description of Operations for [Name of Controlled Non-Debtor Entity]

[Describe the nature and extent of the Debtor's interest in the Controlled Non-Debtor Entity.

Describe the business conducted and intended to be conducted by the Controlled Non-Debtor Entity, focusing on the entity's dominant business segments.

Describe the source of this information.]

See attached Exhibits

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

Exhibit C: Description of Intercompany Claims

[List and describe the Controlled Non-Debtor Entity's claims against any other Controlled Non-Debtor Entity, together with the basis for such claims and whether each claim is contingent, unliquidated or disputed.

Describe the source of this information.]

None.

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

Exhibit D: Allocation of Tax Liabilities and Assets

[Describe how income, losses, tax payments, tax refunds, or other tax attributes relating to federal, state, or local taxes have been allocated between or among the Controlled Non-Debtor Entity and one or more other Controlled Non-Debtor Entities.

Include a copy of each tax sharing or tax allocation agreement to which the entity is a party with any other Controlled Non-Debtor Entity.

Describe the source of this information.]

2374 Village Common Drive is a single member LLC owned 100% by the Debtor. The entity has collected rent from both Tri-State Pain Institute, LLC and Greater Erie Surgery Center, LLC. The income tax consequences of the activity are reported on the Debtor's personal tax return, and he is responsible for any income tax. Upon information and belief, there is no tax sharing agreement with any other entity.

The Debtor has an ownership interest in Greater Erie Surgery Center, LLC, which is a partnership for tax reporting purposes. His share of the income is reported on his personal tax return, and he is responsible for paying the income tax on his share of the partnership income. Upon information and belief, there is no tax sharing agreement with the partnership and partners.

Debtor Name Joseph Martin Thomas

Case number 20-10334-TPA

Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

[Describe any payment made, or obligations incurred (or claims purchased), by the Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against any Debtor.

Describe the source of this information.]

None.

Joseph Martin Thomas
Case No. 20-10334 TPA

Periodic Report Regarding Value, Operations, Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

TAB NO. 1

Greater Erie Surgery Center, LLC**Balance Sheet****As of March 31, 2020**

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06/05/20

Accrual Basis

	Mar 31, 20
ASSETS	
Current Assets	
Checking/Savings	
1025 · NW Savings Checking	275,889.87
Total Checking/Savings	275,889.87
Other Current Assets	
1100 · Accounts Receivable	183,748.34
1150 · Due from Tri-State Pain	136,690.85
1160 · Loan to Dr Thomas	24,217.00
1300 · Partner Receivable - Thomas	3,250.00
1400 · TSPI Working Capital Loan	300,000.00
Total Other Current Assets	647,906.19
Total Current Assets	923,796.06
Fixed Assets	
1500 · Equipment	986,628.39
1510 · Building	
1510.1 · HVAC	18,905.00
1510.15 · Elevator	27,611.00
1510 · Building - Other	1,298,965.02
Total 1510 · Building	1,345,481.02
1520 · Furniture and Fixtures	42,632.07
1525 · Software	12,137.08
1600 · Accum. Depr-Equipment	-782,271.03
1610 · Accum. Depr-Building	-310,495.69
1620 · Accum. Depr-Furniture&Fixtures	-38,303.49
1625 · Accum. Depr-Software	-10,652.95
Total Fixed Assets	1,245,155.40
Other Assets	
1325 · Partner Receivable - Diefenbach	150,000.00
1640 · Accumulated Amortization	-6,156.12
1830 · Loan Costs	39,778.00
Total Other Assets	183,621.88
TOTAL ASSETS	2,352,573.34
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	645,012.18
Total Accounts Payable	645,012.18
Other Current Liabilities	
2100 · Accrued Interest Expense	1,740.69
2110 · Accrued Payroll	13,263.43
2506 · Lease Payable - Mindray Capital	23,862.72
2507 · Equipment Payable - US Bank	-14,321.59
2508 · Equipment Finance Agreement	23,234.40
Total Other Current Liabilities	47,779.65
Total Current Liabilities	692,791.83
Long Term Liabilities	
2501 · Note Payable - Wells Fargo/SBA	693,933.65
2510 · Note Payable - Candor	1,161,609.94
Total Long Term Liabilities	1,855,543.59
Total Liabilities	2,548,335.42

10:36 AM

Greater Erie Surgery Center, LLC

06/05/20

Balance Sheet

Accrual Basis

As of March 31, 2020

	Mar 31, 20
Equity	
3000.01 · Dr. Thomas	1,983,242.50
3000.05 · Candor Surgical Management	812,793.59
3000.06 · K.Biggers	46,663.52
3000.08 · Dr. Diefenbach	150,000.00
3000.10 · Candor Promissory Note	-1,261,569.00
3007 · Sample Property/GEMB	40,000.00
3100 · Retained Earnings	-2,027,410.27
Net Income	60,517.58
Total Equity	-195,762.08
TOTAL LIABILITIES & EQUITY	2,352,573.34

Greater Erie Surgery Center, LLC

Balance Sheet

As of December 31, 2019

10:34 AM

06/05/20

Accrual Basis

	Dec 31, 19
ASSETS	
Current Assets	
Checking/Savings	
1025 · NW Savings Checking	213,592.22
Total Checking/Savings	213,592.22
Other Current Assets	
1100 · Accounts Receivable	183,748.34
1150 · Due from Tri-State Pain	136,690.85
1300 · Partner Receivable - Thomas	3,250.00
1400 · TSPI Working Capital Loan	300,000.00
Total Other Current Assets	623,689.19
Total Current Assets	837,281.41
Fixed Assets	
1500 · Equipment	986,628.39
1510 · Building	
1510.1 · HVAC	18,905.00
1510.15 · Elevator	27,611.00
1510 · Building - Other	1,298,965.02
Total 1510 · Building	1,345,481.02
1520 · Furniture and Fixtures	42,632.07
1525 · Software	12,137.08
1600 · Accum. Depr-Equipment	-782,271.03
1610 · Accum. Depr-Building	-310,495.69
1620 · Accum. Depr-Furniture&Fixtures	-38,303.49
1625 · Accum. Depr-Software	-10,652.95
Total Fixed Assets	1,245,155.40
Other Assets	
1325 · Partner Receivable - Diefenbach	150,000.00
1640 · Accumulated Amortization	-6,156.12
1830 · Loan Costs	39,778.00
Total Other Assets	183,621.88
TOTAL ASSETS	2,266,058.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	561,298.02
Total Accounts Payable	561,298.02
Other Current Liabilities	
2100 · Accrued Interest Expense	1,740.69
2110 · Accrued Payroll	13,263.43
2506 · Lease Payable - Mindray Capital	23,862.72
2507 · Equipment Payable - US Bank	-10,355.59
2508 · Equipment Finance Agreement	23,234.40
Total Other Current Liabilities	51,745.65
Total Current Liabilities	613,043.67
Long Term Liabilities	
2501 · Note Payable - Wells Fargo/SBA	735,859.63
2510 · Note Payable - Candor	1,173,435.05
Total Long Term Liabilities	1,909,294.68
Total Liabilities	2,522,338.35

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Greater Erie Surgery Center, LLC

06/05/20

Balance Sheet

Accrual Basis

As of December 31, 2019

	Dec 31, 19
Equity	
3000.01 · Dr. Thomas	1,983,242.50
3000.05 · Candor Surgical Management	812,793.59
3000.06 · K.Biggers	46,663.52
3000.08 · Dr. Diefenbach	150,000.00
3000.10 · Candor Promissory Note	-1,261,569.00
3007 · Sample Property/GEMB	40,000.00
3100 · Retained Earnings	-1,988,196.23
Net Income	-39,214.04
Total Equity	-256,279.66
TOTAL LIABILITIES & EQUITY	2,266,058.69

Greater Erie Surgery Center, LLC**Profit & Loss****January through March 2020**

10:40 AM

06/05/20

Accrual Basis

	Jan - Mar 20
Ordinary Income/Expense	
Income	
4000 · Revenue	971,552.56
Total Income	971,552.56
Cost of Goods Sold	
Cost of Surgical Services	
5010.01 · Disposables	107,122.34
5010.03 · Instruments/Equip Parts	255,962.46
5010.04 · General	71.42
5010.1 · Lease/Rent Medical Equip.	477.66
5015 · Medical Gases	1,299.49
5030 · Hazardous Waste Disposal	210.00
Total Cost of Surgical Services	365,143.37
Total COGS	365,143.37
Gross Profit	606,409.19
Expense	
Office Expenses	
6120 · Other Office Expenses	878.45
Total Office Expenses	878.45
Professional Fees	
6190 · Accounting & Auditing	1,062.50
6200 · Consulting Fees	2,000.00
6210 · Legal	1,145.00
6220 · Other Services	2,462.10
Professional Fees - Other	133,511.07
Total Professional Fees	140,180.67
Repairs & Maintenance	
6270 · Building	147.15
6290 · Office Equipment	492.00
6300 · Janitorial Expense	4,740.00
Repairs & Maintenance - Other	219.38
Total Repairs & Maintenance	5,598.53
Service Agreements	
6320 · Clinical Equipment	5,664.86
6325 · Computer/IT/Office	29,575.48
Service Agreements - Other	5,229.00
Total Service Agreements	40,469.34
Supplies & Equipment	
6360 · Office Supplies	37.74
Supplies & Equipment - Other	63.42
Total Supplies & Equipment	101.16
Utilities	
6470 · Telephone	3,592.74
Total Utilities	3,592.74

10:40 AM

Greater Erie Surgery Center, LLC**Profit & Loss****January through March 2020**

06/05/20

Accrual Basis

	Jan - Mar 20
6050 · Compensation-Salary	111,573.70
6070 · Bank Service Charges	274.21
6078 · Contract Labor	4,150.00
6090 · Insurance-General Insurance	2,348.07
6091 · Insurance - Key Man	1,426.10
6105 · Laundry, Linens and Uniforms	3,344.89
6168 · Dues and Subscriptions	400.00
6170 · Licenses and Fees	616.76
6260 · Rent-Building	210,000.00
6370 · Meals/Ent - Local	870.82
66900 · Reconciliation Discrepancies	15.99
6700 · Other Operating Expenses	-15.99
9999 · Uncategorized	449.02
Total Expense	526,274.46
Net Ordinary Income	80,134.73
Other Income/Expense	
Other Expense	
6510 · Interest Expense	19,617.15
Total Other Expense	19,617.15
Net Other Income	-19,617.15
Net Income	60,517.58

Greater Erie Surgery Center, LLC**Profit & Loss**

January through December 2019

10:39 AM

06/05/20

Accrual Basis

	Jan - Dec 19
Ordinary Income/Expense	
Income	
4000 · Revenue	3,261,895.78
Total Income	3,261,895.78
Cost of Goods Sold	
Cost of Surgical Services	
5000 · Cost of Services	50.69
5010.01 · Disposables	262,447.06
5010.03 · Instruments/Equip Parts	879,785.76
5010.04 · General	261.07
5010.05 · Medications	26,242.50
5010.1 · Lease/Rent Medical Equip.	5,422.04
5015 · Medical Gases	4,322.11
5030 · Hazardous Waste Disposal	945.00
Total Cost of Surgical Services	1,179,476.23
Total COGS	1,179,476.23
Gross Profit	2,082,419.55
Expense	
Insurance/General Insurance	85.51
Office Expenses	
6120 · Other Office Expenses	3,853.45
6130 · Postage & Delivery	651.08
Office Expenses - Other	385.45
Total Office Expenses	4,889.98
Professional Fees	
6190 · Accounting & Auditing	11,220.80
6200 · Consulting Fees	8,275.00
6205 · Management Fee	391,740.67
6210 · Legal	5,676.63
6220 · Other Services	8,307.60
Total Professional Fees	425,220.70
Repairs & Maintenance	
6270 · Building	62.15
6300 · Janitorial Expense	17,380.00
Repairs & Maintenance - Other	425.00
Total Repairs & Maintenance	17,867.15
Service Agreements	
6320 · Clinical Equipment	19,351.79
6325 · Computer/IT/Office	75,291.13
Total Service Agreements	94,642.92
Supplies & Equipment	
6330 · Equipment Rental	147.98
6360 · Office Supplies	77.32
Supplies & Equipment - Other	115.90
Total Supplies & Equipment	341.20
Utilities	
6470 · Telephone	11,990.22
Total Utilities	11,990.22

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Greater Erie Surgery Center, LLC

06/05/20

Profit & Loss

Accrual Basis

January through December 2019

	Jan - Dec 19
6050 · Compensation-Salary	524,339.60
6070 · Bank Service Charges	2,428.46
6078 · Contract Labor	40,265.95
6090 · Insurance-General Insurance	46,115.32
6091 · Insurance - Key Man	5,704.40
6105 · Laundry, Linens and Uniforms	12,945.14
6110 · Other Expenses - Penalties	52,481.94
6168 · Dues and Subscriptions	3,763.35
6170 · Licenses and Fees	10,542.08
6230 · Promotion- Advertising	4.99
6260 · Rent-Building	780,000.00
6370 · Meals/Ent - Local	2,508.83
9999 · Uncategorized	728.16
Total Expense	2,036,865.90
Net Ordinary Income	45,553.65
Other Income/Expense	
Other Expense	
6510 · Interest Expense	84,517.69
8000 · Donations	250.00
Total Other Expense	84,767.69
Net Other Income	-84,767.69
Net Income	-39,214.04

10:43 AM

06/05/20

Greater Erie Surgery Center, LLC**Statement of Cash Flows**

January through March 2020

	<u>Jan - Mar 20</u>
OPERATING ACTIVITIES	
Net Income	60,517.58
Adjustments to reconcile Net Income to net cash provided by operations:	
1160 · Loan to Dr Thomas	-24,217.00
2000 · Accounts Payable	83,714.16
2507 · Equipment Payable - US Bank	-3,966.00
Net cash provided by Operating Activities	<u>116,048.74</u>
FINANCING ACTIVITIES	
2501 · Note Payable - Wells Fargo/SBA	-41,925.98
2510 · Note Payable - Candor	-11,825.11
Net cash provided by Financing Activities	<u>-53,751.09</u>
Net cash increase for period	62,297.65
Cash at beginning of period	<u>213,592.22</u>
Cash at end of period	<u><u>275,889.87</u></u>

10:42 AM

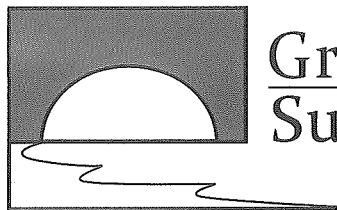
Greater Erie Surgery Center, LLC

06/05/20

Statement of Cash Flows

January through December 2019

	<u>Jan - Dec 19</u>
OPERATING ACTIVITIES	
Net Income	-39,214.04
Adjustments to reconcile Net Income to net cash provided by operations:	
2000 · Accounts Payable	49,461.18
2507 · Equipment Payable - US Bank	-15,864.00
Net cash provided by Operating Activities	-5,616.86
FINANCING ACTIVITIES	
2501 · Note Payable - Wells Fargo/SBA	-162,420.99
2510 · Note Payable - Candor	-46,534.28
Net cash provided by Financing Activities	-208,955.27
Net cash increase for period	-214,572.13
Cash at beginning of period	428,164.35
Cash at end of period	<u><u>213,592.22</u></u>



Greater Erie Surgery Center, LLC

2374 Village Common Drive
Suite 200
Erie, Pennsylvania 16506
PHONE: 814.790.5636
FAX: 814-790-5654
WEB: www.eriesurgery.com

Greater Erie Surgery Center summary of daily operations:

The Greater Erie Surgery Center is an ambulatory surgery center, also known as an ambulatory surgical facility, specializing in pain management procedures. The credentialed interventional pain management physicians and a neurosurgeon provide multiple different procedures and therapies for the treatment of pain in adult patients. Procedures the physicians are privileged to perform include, but are not limited to, epidural steroid injections, medial branch nerve blocks, nerve root blocks, facet joint injections, radiofrequency thermal ablations, pain pumps, and spinal cord stimulator implants. Our staff is comprised of Registered Nurses, Radiology Technicians, Surgical Technicians, Patient Care Assistants, Registration/Office Personnel, along with contracted Certified Registered Nurse Anesthetists when necessary. If ordered by the physician, a patient may be given IV conscious sedation or prescribed oral sedation to better tolerate the procedure. If a greater degree of sedation is needed, the physician will work with the CRNA to deliver anesthesia. Policies & Procedures are followed to maintain safe and effective patient care. License maintained through The Pennsylvania Department of Health and accreditation achieved through the AAAHC (Accreditation Association for Ambulatory Health Care).

Stephanie Spore, BSN, RN

Administrator/ Director of Nursing

Joseph Martin Thomas
Case No. 20-10334 TPA

Periodic Report Regarding Value, Operations, Profitability of Entities in Which the Debtor's Estate Holds a Substantial or Controlling Interest

TAB NO. 2

2374 Village Common Drive, LLC**Balance Sheet**

As of March 31, 2020

10:55 AM

06/05/20

Accrual Basis

	Mar 31, 20
ASSETS	
Current Assets	
Checking/Savings	
10000 · Wells Fargo Bank x8010	36,095.93
Total Checking/Savings	36,095.93
Accounts Receivable	
11000 · Accounts Receivable	997,000.00
Total Accounts Receivable	997,000.00
Other Current Assets	
12100 · Security Deposits	15,195.50
12200 · Working Line of Credit Deposit	5,000.00
Total Other Current Assets	20,195.50
Total Current Assets	1,053,291.43
Fixed Assets	
15000 · Building	4,550,545.17
15001 · HVAC	1,193,585.62
15002 · Plumbing	522,193.70
15003 · Flooring	372,995.51
15004 · Electrical	820,590.11
15005 · Land	342,300.74
15006 · Loan Fees	23,878.26
15007 · HVAC Improvments	32,750.00
17000 · Accumulated Depreciation	-349,746.93
17500 · Accumulated Amortization	-889.72
Total Fixed Assets	7,508,202.46
TOTAL ASSETS	8,561,493.89
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	402,894.62
Total Accounts Payable	402,894.62
Total Current Liabilities	402,894.62
Long Term Liabilities	
25000 · Wells Fargo - Note Payable	3,577,310.95
25100 · SBA - Note Payable x2109	2,373,900.02
26000 · Loan Payable USB x5038 Rabe	29,468.80
Total Long Term Liabilities	5,980,679.77
Total Liabilities	6,383,574.39
Equity	
30800 · Members Contribution	11,066.20
32000 · Members Equity	2,073,916.21
Net Income	92,937.09
Total Equity	2,177,919.50
TOTAL LIABILITIES & EQUITY	8,561,493.89

2374 Village Common Drive, LLC**Balance Sheet****As of December 31, 2019**

10:54 AM

06/05/20

Accrual Basis

	<u>Dec 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
10000 · Wells Fargo Bank x8010	23,943.12
Total Checking/Savings	23,943.12
Accounts Receivable	
11000 · Accounts Receivable	907,000.00
Total Accounts Receivable	907,000.00
Other Current Assets	
12100 · Security Deposits	15,195.50
12200 · Working Line of Credit Deposit	5,000.00
Total Other Current Assets	20,195.50
Total Current Assets	951,138.62
Fixed Assets	
15000 · Building	4,550,545.17
15001 · HVAC	1,193,585.62
15002 · Plumbing	522,193.70
15003 · Flooring	372,995.51
15004 · Electrical	820,590.11
15005 · Land	342,300.74
15006 · Loan Fees	23,878.26
15007 · HVAC Improvments	32,750.00
17000 · Accumulated Depreciation	-349,746.93
17500 · Accumulated Amortization	-889.72
Total Fixed Assets	7,508,202.46
TOTAL ASSETS	<u>8,459,341.08</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	336,281.71
Total Accounts Payable	336,281.71
Total Current Liabilities	336,281.71
Long Term Liabilities	
25000 · Wells Fargo - Note Payable	3,605,595.78
25100 · SBA - Note Payable x2109	2,401,043.66
26000 · Loan Payable USB x5038 Rabe	31,437.52
Total Long Term Liabilities	6,038,076.96
Total Liabilities	6,374,358.67
Equity	
30800 · Members Contribution	11,066.20
32000 · Members Equity	1,603,053.18
Net Income	470,863.03
Total Equity	2,084,982.41
TOTAL LIABILITIES & EQUITY	<u>8,459,341.08</u>

2374 Village Common Drive, LLC**Profit & Loss**

January through March 2020

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06/05/20

Accrual Basis

	Jan - Mar 20
Ordinary Income/Expense	
Income	
47400 · Rental Income	300,000.00
Total Income	300,000.00
Gross Profit	300,000.00
Expense	
60400 · Bank Service Charges	65.62
60450 · Business Insurance	3,826.50
62510 · Elevator Expense	4,394.00
62511 · Fire Protection	2,279.51
63400 · Interest Expense	89,950.06
63410 · Janitorial Services	2,025.00
63411 · Lawn Maintenance	1,980.00
63450 · Legal Expense	103.50
63451 · Legal Reimbursable	0.00
63500 · Management Fee	1,950.00
66750 · Refuse	660.00
67200 · Repairs and Maintenance	7,407.85
67210 · Sales Tax	0.00
67810 · Snow Removal	3,559.15
68000 · Taxes - Property	66,473.54
68600 · Utilities	22,391.40
Total Expense	207,066.13
Net Ordinary Income	92,933.87
Other Income/Expense	
Other Income	
70400 · Interest Income	3.22
Total Other Income	3.22
Net Other Income	3.22
Net Income	92,937.09

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2374 Village Common Drive, LLC

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Profit & Loss

Accrual Basis

January through December 2019

	Jan - Dec 19
Ordinary Income/Expense	
Income	
47400 · Rental Income	1,200,000.00
Total Income	1,200,000.00
Gross Profit	1,200,000.00
Expense	
60000 · Advertising and Promotion	500.00
60400 · Bank Service Charges	175.00
60450 · Business Insurance	14,647.25
62510 · Elevator Expense	7,907.26
62511 · Fire Protection	5,780.99
62550 · Heating & Cooling	1,327.03
63400 · Interest Expense	352,101.00
63410 · Janitorial Services	7,425.00
63411 · Lawn Maintenance	6,123.55
63420 · Licenses & Fees	384.28
63450 · Legal Expense	-8,479.70
63451 · Legal Reimbursable	42.50
63500 · Management Fee	7,800.00
64900 · Office Supplies	0.00
66100 · Plumbing Expense	561.39
66710 · Property Taxes	170,523.34
66750 · Refuse	2,640.00
67200 · Repairs and Maintenance	43,966.80
67210 · Sales Tax	65.01
67810 · Snow Removal	6,209.80
68100 · Telephone Expense	405.47
68600 · Utilities	109,112.57
Total Expense	729,218.54
Net Ordinary Income	470,781.46
Other Income/Expense	
Other Income	
70400 · Interest Income	81.57
Total Other Income	81.57
Net Other Income	81.57
Net Income	470,863.03

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2374 Village Common Drive, LLC

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Statement of Cash Flows

January through March 2020

	Jan - Mar 20
OPERATING ACTIVITIES	
Net Income	92,937.09
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 · Accounts Receivable	-90,000.00
20000 · Accounts Payable	66,612.91
	<hr/>
Net cash provided by Operating Activities	69,550.00
FINANCING ACTIVITIES	
25000 · Wells Fargo - Note Payable	-28,284.83
25100 · SBA - Note Payable x2109	-27,143.64
26000 · Loan Payable USB x5038 Rabe	-1,968.72
	<hr/>
Net cash provided by Financing Activities	-57,397.19
Net cash increase for period	12,152.81
Cash at beginning of period	23,943.12
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Cash at end of period	36,095.93

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2374 Village Common Drive, LLC

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Statement of Cash Flows

January through December 2019

	Jan - Dec 19
OPERATING ACTIVITIES	
Net Income	470,863.03
Adjustments to reconcile Net Income to net cash provided by operations:	
11000 · Accounts Receivable	-355,000.00
20000 · Accounts Payable	124,427.55
Net cash provided by Operating Activities	240,290.58
INVESTING ACTIVITIES	
15006 · Loan Fees	-152.50
15007 · HVAC Improvements	-32,750.00
Net cash provided by Investing Activities	-32,902.50
FINANCING ACTIVITIES	
25000 · Wells Fargo - Note Payable	-107,859.48
25100 · SBA - Note Payable x2109	-128,205.99
26000 · Loan Payable USB x5038 Rabe	31,437.52
Net cash provided by Financing Activities	-204,627.95
Net cash increase for period	2,760.13
Cash at beginning of period	21,182.99
Cash at end of period	23,943.12

2374 Village Common Drive, LLC summary of operations:

2374 Village Common Drive, LLC, is a real estate holding company that operates and maintains the building and land at 2374 Village Common Drive. It rents office space to small to medium businesses. It contracts with a building manager to maintain and manage the heating, ventilation, and air conditioning (HVAC), plumbing, electrical, security, and other building systems. It cleans and maintains common areas including lobbies and lounges, restroom facilities, elevators, the parking lot, and landscaped areas.

Lizabeth Gerber, MBA
Bookkeeper
Van Cleve Payroll and Bookkeeping, Inc.